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Special:

Circular Letter

TO: EMPLOYERS COVERED BY CALPERS, EMPLOYEE ORGANIZATIONS AND
OTHER INTERESTED PARTIES

SUBJECT: MEETING NOTICE OF THE CALPERS BOARD OF ADMINISTRATION AND
ITS COMMITTEES

The CalPERS Board of Administration and its Committees are scheduled to meet on the following days in October. All meetings will be held in public session unless otherwise noted.

Investment Committee

Date and Time: Monday, October 16, 2006, 8:30 a.m.

Location: Sierra Room, Red Lion Hotel Redding, 1830 Hilltop Drive, Redding, CA

The Committee will meet in closed session to discuss personnel and investment matters pursuant to Government Code sections 11126(a)(1) and (c)(16).

Investment Committee

Date and Time: Monday, October 16, 2006, 9:00 a.m. or upon adjournment or recessing of the preceding Investment Committee closed session, whichever is later

Location: Sierra Room, Red Lion Hotel Redding, 1830 Hilltop Drive, Redding, CA

A closed session will be held upon adjournment or recessing of the open session to consider investment matters pursuant to Government Code section 11126(c)(16) and litigation matters pursuant to Government Code section 11126(e).

Policy Subcommittee of the Investment Committee

Date and Time: Monday, October 16, 2006, 10:30 a.m. or upon adjournment or recessing of the Investment Committee meeting, whichever is later

Location: Sierra Room, Red Lion Hotel Redding, 1830 Hilltop Drive, Redding, CA

Ad Hoc Board Member Elections Committee

Date and Time: Monday, October 16, 2006, 11:00 a.m. or upon adjournment or recessing of the Policy Subcommittee of the Investment Committee meeting, whichever is later

Location: Sierra Room, Red Lion Hotel Redding, 1830 Hilltop Drive, Redding, CA

Benefits and Program Administration Committee

Date and Time: Tuesday, October 17, 2006, 9:00 a.m.

Location: Sierra Room, Red Lion Hotel Redding, 1830 Hilltop Drive, Redding, CA

Health Benefits Committee

Date and Time: Tuesday, October 17, 2006, 9:30 a.m. or upon adjournment or recessing of the Benefits and Program Administration Committee meeting, whichever is later
Location: Sierra Room, Red Lion Hotel Redding, 1830 Hilltop Drive, Redding, CA

Performance and Compensation Committee

Date and Time: Tuesday, October 17, 2006, 10:30 a.m. or upon adjournment or recessing of the Health Benefits Committee meeting, whichever is later
Location: Sierra Room, Red Lion Hotel Redding, 1830 Hilltop Drive, Redding, CA
The Committee will meet in closed session to discuss personnel matters pursuant to Government Code sections 11126(a) and 11126(g)(1).

Board of Administration

Date and Time: Wednesday, October 18, 2006, 8:00 a.m.
Location: Sierra Room, Red Lion Hotel Redding, 1830 Hilltop Drive, Redding, CA
The Board will meet in closed session to discuss personnel issues pursuant to Government Code sections 11126(a)(1) and (g)(1).

Board of Administration

Date and Time: Wednesday, October 18, 2006, 9:00 a.m. or upon adjournment or recessing of the closed session of the Board of Administration, which is scheduled to commence at 8:00 a.m., whichever is later
Location: Sierra Room, Red Lion Hotel Redding, 1830 Hilltop Drive, Redding, CA
A closed session will be held upon adjournment or recessing of the open session to discuss personnel issues pursuant to Government Code sections 11126(a)(1) and (g)(1).

Board of Administration

Date and Time: Monday, October 23, 2006, 8:00 a.m., Tuesday, October 24, 8:00 a.m., and Wednesday, October 25, 8:00 a.m.
Location: Renaissance Esmeralda Hotel, 44-400 Indian Wells Lane, Indian Wells, CA
Members of the Board will attend the CalPERS Educational Forum 2006.

Items scheduled for the public sessions of the meetings are listed on the attached agendas. This information is also available on the CalPERS website at www.calpers.ca.gov. Questions pertaining to the meetings may be directed to Lanette Hunt at 916/795-3829.

The Board would be pleased to have you or representatives of your agency at the public sessions. The facilities are accessible to persons with disabilities. Requests for sign language or captioning services require a minimum of 72 hours notice. To request service, please call 916/795-3065 (voice or TTY).

FRED BUENROSTRO
Chief Executive Officer

Attachments

**CALIFORNIA PUBLIC EMPLOYEES' RETIREMENT SYSTEM
BOARD OF ADMINISTRATION**

INVESTMENT COMMITTEE

October 16, 2006

8:30 a.m.

Red Lion Hotel Redding
1830 Hilltop Drive
Redding, CA

COMMITTEE MEMBERS

Charles Valdes, Chair
George Diehr, Vice Chair
Philip Angelides
Marjorie Berte
Robert F. Carlson
Rob Feckner
David Gilb
Priya Mathur
Tony Oliveira
Mike Quevedo, Jr.
Kurato Shimada
Maeley L. Tom
Steve Westly

CLOSED SESSION 8:30 a.m.
Chief Investment Officer's Briefing on Market and Personnel Issues
(Government Code sections 11126(a)(1) and (c)(16))

OPEN SESSION 9:00 a.m.

CLOSED SESSION Upon Adjournment or Recess of Open Session
(Government Code sections 11126(c)(16) and (e))

AGENDA

OPEN SESSION

1. Call to Order and Roll Call
- Action 2. Approval of the September 11, 2006 Open Session Minutes
- Information 3. Real Estate
 - a. Responsible Contractor Annual Report
- Information 4. Alternative Investment Management (AIM) Program

- | | | |
|-------------|-----|---|
| Information | 5. | Global Fixed Income |
| | a. | Member Home Loan Program Master Services RFP |
| Information | 6. | Global Equity |
| Information | a. | Permissible Equity Markets Policy |
| Information | b. | Corporate Governance Engagement Process |
| Information | c. | Corporate Governance Internal Staff Working Group Update |
| | (i) | Proxy Access |
| Consent | 7. | Chief Investment Officer's/Assistant Executive Officer's Report |
| Information | a. | Consolidated Investment Activity Report |
| | b. | Assistant Executive Officer's Status Report |
| Action | 8. | Proposed 2007 Investment Committee Meeting Dates |
| Information | 9. | Draft Agenda for November 13, 2006 |
| | 10. | Public Comment |

Note: Items designated for information are appropriate for Board/Committee action if the Board/Committee wishes to take action. Any agenda item from a properly noticed Subcommittee meeting held immediately prior to this meeting may be reported on or presented to the Investment Committee for its consideration.

AGENDA

CLOSED SESSION Upon Adjournment or Recess of Open Session (Government Code section 11126(c)(16) and 11126(e) [Item No. 7 only])

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| | 1. | Call to Order and Roll Call |
| Action | 2. | Approval of the September 11, 2006 Closed Session Minutes |
| Information | 3. | Real Estate |
| | a. | Real Estate Property Sale – Core Portfolio |
| Information | 4. | Alternative Investment Management (AIM) Program |
| | a. | Strategic Healthcare Investment Initiative |
| Information | 5. | Global Fixed Income |
| | a. | External Manager Update |
| Information | 6. | Global Equity |
| | a. | External Manager Update (also including Alternative Investment Manager Partners) |
| Action | b. | International Fundamental Strategy |
| Information | 7. | Pending and Potential Litigation – <i>CalPERS v. UnitedHealth Group, et al.</i> (United States District Court, District of Minnesota, Case No. No. 06-1691 (JMR/FLN)); and potential actions regarding backdated stock options |

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| Information | 8. | Chief Investment Officer's/Assistant Executive Officer's Report |
| | a. | Status of Action Items Not Yet Reported |
| Consent | 9. | Activity Reports |
| | a. | Alternative Investment Management Program |
| | b. | Risk Managed Absolute Return Strategies Program |
| | c. | Public Markets |

**CALIFORNIA PUBLIC EMPLOYEES' RETIREMENT SYSTEM
BOARD OF ADMINISTRATION**

**POLICY SUBCOMMITTEE
OF THE INVESTMENT COMMITTEE**

October 16, 2006

10:30 a.m.

**or Upon Adjournment or Recess of the
Investment Committee Meeting, Whichever is Later**

Red Lion Hotel Redding
1830 Hilltop Drive
Redding, CA

COMMITTEE MEMBERS

Priya Mathur, Chair
Marjorie Berte, Vice Chair
Robert F. Carlson
Tony Oliveira
Charles Valdes

AGENDA

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|-----------------------|--|
| | 1. Call to Order and Roll Call |
| Action | 2. Approval of the August 11, 2006 Meeting Minutes |
| | 3. Equity Policies |
| Action / M. Cottrill | a. Adoption of Relaxed Long-only Domestic Equity Strategy – Externally Managed |
| Action / D. Johnson | b. Adoption of Corporate Governance Investments and repeal of Corporate Governance Fund Investment Vehicles – Externally Managed and repeal of Internal Relational Program |
| | 4. Fixed Income Policy |
| Action / E. Busay | a. Revision of Currency Overlay Program |
| | 5. Administrative |
| Action / C. Ishii | a. Glossary of Terms – Review of Cash-Related Definitions |
| Action / A. Stausboll | b. Review Guidelines for Delegating Investment Authority and Review of Existing Delegation Resolutions for the Investment Committee and Policy Subcommittee |
| Action | c. Proposed 2007 Meeting Dates |
| Information | d. Proposed December 2006 Agenda |
| | 6. Public Comment |

Note: Items designated for information are appropriate for Subcommittee action if the Subcommittee wishes to take action. Any agenda item acted upon at this Subcommittee meeting may be brought to the Investment Committee at its next regularly scheduled meeting. Items are noticed for action after a first reading. The Committee is free, however, to request a second reading of any item before approving it.

**CALIFORNIA PUBLIC EMPLOYEES' RETIREMENT SYSTEM
BOARD OF ADMINISTRATION**

AD HOC BOARD MEMBER ELECTIONS COMMITTEE

October 16, 2006

11:00 a.m.

**or Upon Adjournment or Recess of the
Investment Policy Subcommittee, Whichever is Later**

Red Lion Hotel Redding
1830 Hilltop Drive
Redding, CA

COMMITTEE MEMBERS

Kurato Shimada, Acting Chair
Marjorie Berte
George Diehr
Rob Feckner
Tony Oliveira

AGENDA

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|---------------------------|-------------------------------------|
| | 1. Call to Order and Roll Call |
| | 2. Election of Chair and Vice Chair |
| Rick Nelson
Action | 3. Delegation Resolution |
| Information
John Hiber | 4. Proposed March 2007 Agenda |
| | 5. Public Comment |

NOTE: Items designated for information are appropriate for Committee action if the Committee wishes to take action. Any agenda item properly noticed for this Committee meeting may be brought to the full Board at its next regularly scheduled meeting.

**CALIFORNIA PUBLIC EMPLOYEES' RETIREMENT SYSTEM
BOARD OF ADMINISTRATION**

BENEFITS AND PROGRAM ADMINISTRATION COMMITTEE

October 17, 2006

9:00 a.m.

Red Lion Hotel Redding
1830 Hilltop Drive
Redding, CA

COMMITTEE MEMBERS

Kurato Shimada, Chair
Rob Feckner, Vice Chair
Robert F. Carlson
George Diehr
David Gilb
Priya Mathur
Tony Oliveira
Maeley L. Tom
Steve Westly

AGENDA

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|---------------------------|----|--|
| | 1. | Call to Order and Roll Call |
| | 2. | Approval of the September 12, 2006 Benefits and Program Administration Committee Meeting Minutes |
| Information/Peter Mixon | 3. | CalSTRS Conflict of Interest and Disclosure Proposals |
| Action/Kathie Vaughn | 4. | Proposed 2007 Benefits and Program Administration Committee Meeting Schedule |
| Information/Ron Seeling | 5. | Chief Actuary Report |
| Information/Kathie Vaughn | 6. | Assistant Executive Officer Report |
| Information/Kathie Vaughn | 7. | Draft Agenda for November 14, 2006 Benefit and Program Administration Committee Meeting |
| | 8. | Public Comment |

NOTE: Items designated for information are appropriate for Committee action if the Committee wishes to take action. Any agenda item acted upon at this committee meeting may be brought to the full Board at its next regularly scheduled meeting.

**CALIFORNIA PUBLIC EMPLOYEES' RETIREMENT SYSTEM
BOARD OF ADMINISTRATION**

HEALTH BENEFITS COMMITTEE

October 17, 2006

9:30 a.m.

**or Upon Adjournment or Recess of the
Benefits and Program Administration Committee
Meeting, Whichever is Later**

Red Lion Hotel Redding
1830 Hilltop Drive
Redding, CA

COMMITTEE MEMBERS

George Diehr, Chair
Priya Mathur, Vice Chair
Philip Angelides
Marjorie Berte
Rob Feckner
David Gilb
Tony Oliveira
Charles Valdes
Steve Westly

AGENDA

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|--------------------------------|--|
| | 1. Call to Order and Roll Call |
| | 2. Approval of September 12, 2006, Health Benefits Committee Meeting Minutes |
| Information/Terri Westbrook | 3. Blue Shield of California: Regional Council Update |
| Information/Richard Krolak | 4. Revised Statement of Investment Policy for Self-Funded Health Plans |
| Information/Sandra Felderstein | 5. Modifications to 2007 Medicare Part B Premiums – Means Testing |
| Information/Sandra Felderstein | 6. Medicare Part D Options for 2008 – First Reading |
| Information/Richard Krolak | 7. Long-Term Care Program 2005 and Earlier Policies – Proposed Mitigation Plan - First Reading |

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|-----------------------------|--|
| Action/Ken Marzion | 8. Proposed Regulations: Prefunding Plan for Health Care Coverage for Annuitants |
| Action/Terri Westbrook | 9. Proposed Health Benefits Committee Calendar for 2007 |
| Information/Terri Westbrook | 10. Assistant Executive Officer Report |
| Information/Terri Westbrook | 11. Proposed Agenda for November 14, 2006 Health Benefits Committee Meeting |
| Information | 12. Public Comments |

NOTE: Items designated for information are appropriate for Committee action if the Committee wishes to take action. Any agenda item acted upon at this committee meeting may be brought to the full Board at its next regularly scheduled meeting.

**CALIFORNIA PUBLIC EMPLOYEES' RETIREMENT SYSTEM
BOARD OF ADMINISTRATION**

PERFORMANCE AND COMPENSATION COMMITTEE

October 17, 2006

10:30 a.m.

**or Upon Adjournment or Recess of the
Health Benefits Committee Meeting, Whichever is Later**

Red Lion Hotel Redding
1830 Hilltop Drive
Redding, CA

COMMITTEE MEMBERS

Priya Mathur, Chair
Tony Oliveira, Vice Chair
Philip Angelides
Robert F. Carlson
David Gilb
Kurato Shimada
Charles Valdes

CLOSED SESSION

(Gov. Code Section
11126(a) and 11126 (g)(1))

AGENDA

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|----------------------|----|--|
| | 1. | Call to Order and Roll Call |
| | 2. | Approval of September 11, 2006 Performance and Compensation Closed Session Minutes |
| Action/Chris O'Brien | 3. | Review of Chief Executive Officer's 2005-2006 Performance |

NOTE: Items designated for information are appropriate for Committee action if the Committee wishes to take action. Any agenda item acted upon at this committee meeting may be brought to the full Board at its next regularly scheduled meeting.

**CALIFORNIA PUBLIC EMPLOYEES' RETIREMENT SYSTEM
BOARD OF ADMINISTRATION**

October 18, 2006

9:00 a.m.

Red Lion Hotel Redding
1830 Hilltop Drive
Redding, CA

MEMBERS

Rob Feckner, Chair
Robert F. Carlson, Vice Chair
Philip Angelides
Marjorie Berte
George Diehr
David Gilb
Priya Mathur
Tony Oliveira
Mike Quevedo, Jr.
Kurato Shimada
Maeley L. Tom
Steve Westly
Charles Valdes

AGENDA

CLOSED SESSION Chief Executive Officer's Briefing on Performance and Personnel
8:00 A.M. Issues
(Gov. Code secs.
11126(a)(1) and
(g)(1))

OPEN SESSION
9:00 A.M. OR UPON ADJOURNMENT OF CLOSED SESSION, WHICHEVER IS
LATER

1. Call to Order and Roll Call
2. Pledge of Allegiance

Announcement of Closed Session: The Board Will Meet in Closed Session to Consider the Performance and Compensation Committee Closed Session Report (Gov. Code secs. 11126(a)(1) and (g)(1))

3. Approval of the September 13, 2006 Meeting Minutes

INVESTMENTS

- Mr. Read 4. Chief Investment Officer's Report

Committee Reports (Any Agenda Item from a Properly Noticed Committee Meeting Held Prior to this Meeting May be Reported on or Presented to the Board for its Consideration).

- Mr. Valdes 5. Investment Committee (Oral)

- Mr. Shimada 6. Benefits and Program Administration Committee (Oral)

- Mr. Diehr 7. Health Benefits Committee (Oral)

- Mr. Carlson 8. Finance Committee (Oral)

- Ms. Mathur 9. Performance and Compensation Committee (Oral)
A. CLOSED SESSION REPORT (Gov. Code sections
11126(a) and 11126(g)(1))

- Mr. Feckner 10. Ad Hoc Board Governance Committee (Oral)

- Mr. Shimada 11. Ad Hoc Board Elections Committee (Oral)

General

- Mr. Buenrostro 12. Board Meeting Calendar

- Mr. Buenrostro 13. Chief Executive Officer's Report (Oral)

Governmental Affairs

- | | | |
|-------------|-----|---|
| Ms. Hammond | 14. | Board's State Legislative Program/Board's Position on State Legislation |
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|-------------|-----|---|
| Ms. Hammond | 15. | Board's Federal Legislative Program/Board's Position on Federal Legislation |
|-------------|-----|---|

Legal

- Mr. Mixon 16. Proposed Decisions of Administrative Law Judges
 A. Danetta A. Jackson
 B. Rodney L. Walker
 C. City of Salinas
 D. Donald Cardno

- Mr. Mixon 17. Petition for Reconsideration
 A. Carol Rivera

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| Mr. Mixon | 18. | General Counsel's Report |
| | | A. Monthly New Case Report |
| | | B. Assignment Matrix |

Other

- | | | |
|----------------|-----|--|
| Mr. Feckner | 19. | Board Travel Approvals |
| Mr. Buenrostro | 20. | Draft Agenda for November 15, 2006 Meeting |
| | 21. | New Business Agenda Setting |
| | 22. | Public Comment |

Note: Items designated for information are appropriate for Board/Committee action if the Board/Committee wishes to take action. Any agenda item from a properly noticed Committee meeting held immediately prior to this Board meeting may be considered by the Board.